

Mineral Industry Surveys

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MARKETABLE PHOSPHATE ROCK IN AUGUST 2005

U.S. marketable phosphate rock production August was 3.48 million metric tons (Mt), which was 4% higher than in the previous month, according to the U.S. Geological Survey (USGS). Production for the first 8 months of the year was 5% higher than the same period in 2004.

Phosphate rock sold or used in the United States in August was 3.49 Mt, a slight decrease from that of July. Data for the individual regions were withheld to protect company proprietary data. Total sold or used for January to August was 4% higher than in 2004. U.S. producer stocks were slightly lower than in June.

Imports of phosphate rock were estimated based on U.S. Census Bureau figures and data from the Moroccan producer, because Census suppressed some phosphate rock import data for Morocco. The Moroccan producer supplies more than 99% of the phosphate rock imported by the United States. In addition, Census trade data were not available for the current month. The USGS estimated that imports of phosphate rock averaged about 240,000 metric tons per month in the first 7 months of 2005.

Domestic apparent consumption for 2004 was 38.3 Mt. Apparent consumption for 2005 was projected to be 40.6 Mt based on annualized sold or use data and estimated imports. Annualized data are based on the current average monthly rate of consumption projected for the remainder of the current year.

Several U.S. phosphate plants were damaged by Hurricane Katrina, which made landfall west of Pascagoula, MS, on August 29. The Mississippi Phosphate Corporation facility in Pascagoula received \$15 million to \$25 million in damage from the storm. The company estimates that the facility will be closed until November or December of this year to repair the plant (Mississippi Phosphates Corporation, 2005). The Mosaic Company reported minor damage to its phosphate plants in Louisiana; however, the facilities were temporarily closed owing to a shortage of sulfur for phosphoric acid production.

Mosaic uses sulfur recovered from oil refineries in the Gulf of Mexico region (Associated Press, 2005a§¹).

FMC Corp. and Solutia Inc. have agreed to sell Astaris LLC, (a joint venture between FMC and Solutia) to Israel Chemicals Ltd. Astaris produces specialty phosphates at several facilities in Brazil and the United States. In 2002, Astaris sold its phosphate rock mine and phosphoric acid plant in Idaho (Associated Press, 2005b§).

U.S. Agri-Chemicals Corp. (a subsidiary of Sinochem Corp.) (USAC) announced the impending closure of its two Florida phosphate facilities. The announcement was made by Mosaic, after it reached a tentative agreement to terminate immediately its phosphate rock supply contract with USAC. Mosaic had been supplying USAC with about 2 Mt of phosphate annually since 1994. In 2004, IMC Global Inc. (now part of Mosaic) and USAC agreed to terminate the 20-year contract in October 2007. This new agreement will allow Mosaic to retain more phosphate rock for internal use. Mosaic has tentatively agreed to pay USAC \$84 million for the early termination. USAC will close the plants after its phosphate rock inventory has been exhausted, which will likely be in December (The Ledger, 2005§).

Reference Cited

Mississippi Phosphates Corporation, 2005, Mississippi Phosphates Corporation announces schedule for resuming production following Hurricane Katrina: Mississippi Phosphates Corporation press release, September 16, 2 p.

Internet References Cited

Associated Press, 2005a (September 1), Mosaic suffers minor damage from Katrina, accessed October 4, 2005, via URL <http://www.biz.yahoo.com>.
Associated Press, 2005b (September 1), Solutia and FMC sell Astaris, accessed September 2, 2005, via URL <http://www.biz.yahoo.com>.
The Ledger, 2005 (August 9), Mining company will likely close in Polk, accessed August 10, 2005, via <http://www.theledger.com>.

¹References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
U.S. PHOSPHATE ROCK STATISTICS, BY REGION¹

(Thousand metric tons)

| Period | Marketable production | | | Sold and/or used | | | Ending stocks ² | | |
|------------------|-------------------------------------|----------------------|---------------|-------------------------------------|----------------------|---------------|-------------------------------------|----------------------|---------------|
| | Florida and North Carolina | Idaho and Utah | U.S. total | Florida and North Carolina | Idaho and Utah | U.S. total | Florida and North Carolina | Idaho and Utah | U.S. total |
| 2004: | | | | | | | | | |
| January-August | 20,800 | 3,410 | 24,200 | 20,700 | 3,380 | 24,100 | XX | XX | XX |
| August | 2,120 | 542 | 2,660 | 2,480 | 505 | 2,980 | 5,430 | 1,920 | 7,340 |
| September | 1,760 | 549 | 2,310 | 1,880 | 406 | 2,280 | 5,150 | 2,060 | 7,210 |
| October | 2,170 | 539 | 2,710 | 2,390 | W | W | W | W | 7,180 |
| November | W | W | 3,530 | W | W | 3,630 | W | W | 7,170 |
| December | W | W | 2,900 | W | 446 | W | W | W | 7,020 |
| January-December | 30,300 | 5,390 | 35,700 | 30,800 | 5,030 | 35,800 | XX | XX | XX |
| 2005: | | | | | | | | | |
| January | W | W | 3,060 | 2,410 | 422 | 2,830 | W | W | 7,130 |
| February | W | W | 2,860 | W | W | 2,790 | W | W | 7,100 |
| March | W | W | 3,160 | W | W | 3,240 | W | W | 6,990 |
| April | W | W | 3,000 | W | W | 3,160 | W | W | 6,910 |
| May | W | W | 3,480 | W | W | 3,070 | W | W | 7,310 |
| June | W | W | 3,100 | W | W | 3,050 | W | W | 7,360 |
| July | W | W | 3,350 | W | W | 3,500 | W | W | 7,220 |
| August | W | W | 3,480 | W | W | 3,490 | W | W | 7,140 |
| Total | W | W | 25,500 | W | W | 25,100 | XX | XX | XX |

W Withheld to avoid disclosing company proprietary data. XX Not applicable.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes inventory adjustments.

TABLE 2
U.S. IMPORTS OF PHOSPHATE ROCK^{1,2}

(Thousand metric tons and thousand dollars)

| Period | Quantity | Value |
|-------------------------|----------|--------|
| 2004: | | |
| January-July | 836 | 30,000 |
| July | 63 | 1,720 |
| August | 157 | 6,030 |
| September | 118 | 4,990 |
| October | 137 | 5,240 |
| November | 80 | 2,190 |
| December | 150 | 5,470 |
| January-December | 1,540 | 55,700 |
| Total year ³ | 2,500 | 91,300 |
| 2005: ⁴ | | |
| January | 140 | 5,160 |
| February | 143 | 6,190 |
| March | 48 | 1,300 |
| April | 183 | 8,440 |
| May | 227 | 11,000 |
| June | 184 | 8,420 |
| July | 103 | 4,840 |
| Total | 1,030 | 45,300 |

¹Cost, insurance, and freight values at U.S. ports.

²Data are rounded to no more than three significant digits; may not add to totals shown.

³Includes an estimate for data suppressed by the U.S. Census Bureau.

⁴Data for the current month were not available at time of publication.

Source: U.S. Census Bureau; data on the majority of phosphate rock imports from Morocco were suppressed by Census.

TABLE 3
COMPARATIVE U.S. PHOSPHATE ROCK STATISTICS

(Million metric tons, unless otherwise specified)

| | 2003 | 2004 | 2005 ^{e, 1} |
|--------------------------------------|---------|---------|----------------------|
| Marketable production: | | | |
| Florida and North Carolina | 29.1 | 30.3 | 33.2 |
| Idaho and Utah | 5.0 | 5.4 | 5.0 |
| Total ² | 34.1 | 35.7 | 38.2 |
| Sold or used by producers: | | | |
| Florida and North Carolina | 30.2 | 30.8 | 31.5 |
| Idaho and Utah | 5.2 | 5.0 | 6.3 |
| Total ² | 35.4 | 35.8 | 37.8 |
| Yearend stocks | 7.3 | 7.0 | 7.1 |
| Exports reported by producers | W | -- | -- |
| Average value per ton | W | -- | NA |
| Imports for consumption ^e | 2.4 | 2.5 | 2.8 |
| Average value per ton | \$35.55 | \$36.50 | NA |
| Apparent consumption ^{e, 3} | 37.8 | 38.3 | 40.6 |

^eEstimated. NA Not available. W Withheld to avoid disclosing company proprietary data.

-- Zero.

¹Annualized data.

²Data may not add to totals shown because of independent rounding.

³Calculated as domestic sold or used plus imports.